

APPROVED JUNE 9, 2009

COMMONWEALTH OF KENTUCKY

KENTUCKY BOARD OF HOME INSPECTORS

101 Sea Hero Road

Suite 101

Frankfort, Kentucky 40601

May 12, 2009

9:00 A.M.

Members Present:

D. Michael Green, Chair

Michael Patton, Vice Chair

Richard Flora

Ralph Wirth

William Welty, Sr.

James R. Bone

Linda Swearingen

Mike Powers, Proxy for Agency Commissioner Richard Moloney

Member Absent:

Mark Schmidt

Staff Present:

Michael Bennett, Staff Attorney

Wendy Anderson, Board Secretary

Guests:

Erby Crofutt – Kentucky Real Estate Inspector Association

Betty Whittaker, Kentucky Manufactured Housing Institute

Barbara Rucker, Occupations & Professions

Susan Ellis, Occupations & Professions

Jeff Boler, Occupations & Professions

Frances Short, Occupations & Professions

Lorri Keeney, Professional Learning Institute

Steve Keeney, Professional Learning Institute

Steve Wolfe, Buyers Best Home Inspection

Chair called the meeting to Order at 9 a.m. The Chair asked the guests to introduce themselves and then instructed the Board to review the minutes and make changes.

Mr. Ralph Wirth moved the Board to accept the minutes and Mr. James R. Bone seconded the Motion. Motion carried unanimously.

Kentucky Manufacture Housing Provider Seminar

Ms. Betty Whittaker of the Kentucky Manufactured Housing Inspectors, hereinafter KMHI, advised the Board there had been many changes to manufactured housing in the last couple of years. She said she could organize a three-hour power point presentation seminar for continuing education providers. The cost would be approximately \$75-\$100 per student. She needed at least twelve educators to commit to the class. She would prefer the seminar be at the Frankfort agency so they could supply the equipment and refreshments. The Chair believed this would be a good opportunity for providers to better prepare inspectors.

Steve Keeney of Professional Learning Institute opened up the conversation further when he inquired about home inspectors performing manufactured housing inspections. Currently, building code enforcement inspects manufactured housing (B-1 seal inspections). The Chair advised the Board this practice required “quoting code”. “Quoting code” is prohibited for a home inspector. The Chair also suggested inspectors would not travel to a manufactured home for only \$100. However, the Chair required manufactured housing education because one-third of all homes in Kentucky are manufactured homes. Mr. Wirth continued: the State Fire Marshal requested home inspectors perform the inspection and then the State Fire Marshal was not interested.

Mr. Wirth moved Ms. Whittaker to survey all the manufactured housing education providers to determine whether they would be interested in attending the proposed class. The provider would pay for the class. Mr. William Welty, Sr., seconded the Motion and wanted to discuss the Motion further. Mr. Welty said he contacted Ms. Whittaker with the understanding the Board would pay for the class. Mr. Wirth withdrew the motion and encouraged someone else to submit another motion. Ms. Linda Swearingen moved Ms. Whittaker to survey education providers whether education providers would attend a board funded update on manufactured housing. Mr. James Bone seconded the Motion and it carried unanimously.

Regulations

Mr. Michael Bennett and the Chair advised the Board to review and make comments on the regulations.

(1) 815 KAR 6:010 Home Inspector Licensing Requirements and Maintenance of Records.

The Board started with the following clause page Two, line Six through Ten: “The Board may consider and approve training courses that are equivalent to the requirements of subsection Eight (course requirements) of this section....” The Chair believed this clause allowed the Board more flexibility to those who were a home

inspector in another state and wanted a license in this state. The Chair inquired whether the Board wanted to change this. No one wanted to change. The Board moved forward.

The Board began a debate on background checks page four, line eight. Mr. Bennett advised the background check clause was self-explanatory. The Board was satisfied and they continued.

The Board began a debate on language use page seven, line five. Mr. Patton showed Mr. Bennett an inspector was called a “licensee” and in the next sentence, he was a “license holder”. Mr. Patton preferred “licensee”. Mr. Bennett noted the change.

Mr. Welty cautiously inquired about the escrow clause. The Chair would address this as a bylaws question.

Section 10, Maintenance of Records. The Board wanted to obtain inspection records when requested. An inspector was required to retain records for at least three years. The Board believed the clause should continue to say the Board may request inspection records. If requested by the Board, the inspector had 10 days to submit the records to the Board. The Board was concerned nothing could be done if the inspector had not submitted these records.

Mr. Wirth inquired about the latest initial and renewal inspector applications. The Secretary, Ms. Wendy Anderson, was unaware of these forms. The Chair advised Mr. Wirth to find the forms for the next meeting.

(2) 815 KAR 6:020 Advertising by Home Inspectors

Mr. Bennett advised this was the shortest regulation. No one had any changes. The Board moved to the next regulation.

(3) 815 KAR 6:030 Home Inspector Standards of Conduct

The Chair was concerned with Section Two Subsection Eight. Mr. Bennett suggested the following language: “Disclose any associated documents or other materials only if the client gave written consent to the inspector to disclose the documents, through court order or under request of the Kentucky Board of Home Inspectors”.

Mr. Patton drew the Board’s attention to 815 KAR 6:030 page four, line 19. Ms. Swearingen moved the Board to strike the Workers Compensation language from lines 18 and 19. Mr. Patton seconded the Motion. Mr. Wirth disagreed with Mr. Patton to strike the Workers Compensation language. He believed if the language were removed, then unscrupulous inspectors would take advantage.

The Chair called for a vote. Those who voted to remove the language were Ms. Swearingen and Messrs. Patton, Green and Bone. Those who voted against it were Messrs. Powers, Wirth, Welty and Flora. The Motion died with the tie vote. Mr. Patton suggested to move the Board to add errors and omissions to the fully insured requirements, however, the Chair refused the Motion.

The Chair suggested the Board added “probation” to the list of discipline alternatives pursuant to KRS § 198B.706 (3). Mr. Bennett noted the changes and will bring a draft into the June board meeting.

(4) 815 KAR 6:040

Mr. Bennett advised the Board they had not reviewed this regulation. The only change was page five, lines four through five. The change was “A provider shall offer a continuing education course for the first time ninety (90) days after board approval.” Furthermore, “a provider shall reapply for course approval 45 days prior to the date of expiration of the course”.

The Board’s Move to Occupations and Professions Commission

The Chair advised the Board that there was a strong possibility the Board would move from the Department of Housing Buildings and Construction to the Occupations and Professions Commission. The Chair queried the representatives from the Occupations and Professions Commission about the Commission. Ms. Francis Short of the Commission explained to the Board the Commission supplied staff to boards who were not large enough to supply their own staff. Right now, the Commission supplied staff to 19 boards. The Chair inquired about statutory/regulatory change. Ms. Short advised the only change would be language to reflect the change. Mr. Wirth inquired about the Board’s budget. Ms. Short advised Mr. Wirth the budget would follow this Board. Finally, Mr. Patton inquired why this change was necessary. Mr. Powers advised the Board this agency lacked the staff the home inspector board required.

Bylaws

Mr. Patton posed a question to himself and others: why do we need bylaws. The Chair stated it would put new staff members and new board members at an advantage because they would understand the procedures sooner. Mr. Bennett went on to say bylaws were needed for the day-to-day operations of the Board. Mr. Powers moved the Board to adopt bylaws with changes. Mr. Flora seconded the Motion. The vote was six to two. Mr. Patton and Ms. Swearingen voted not to adopt bylaws.

After the vote, the Chair called for amendments to the bylaws. Mr. Bennett said he needed to change everywhere it said “Department of Housing Buildings and Construction” to the “Kentucky Board of Home Inspectors”. Ms. Swearingen said there should have a list of reasons why the Board would call for a closed meeting. Mr. Wirth mentioned in an ethics complaint against a board member, the complaint shall be signed by the complainant. On page three paragraph nine shall say; “...anyone who wishes to testify during the Kentucky Board of Home Inspectors...be received at least twenty (20) days prior to the board meeting. Paragraph ten shall say; “ a request for an item to be included on the agenda....and received twenty (20) days prior to the scheduling meeting”.

Rumancik

Mr. Powers updated the Board on Mr. Rumancik. He found yellow page ads in a variety of phone books. Dawn Bellis, the Department’s General Counsel, sent Mr. Rumancik notice of a hearing on May 18th. Mr. Powers also received advertising from Mr. Patton in Northern Kentucky about other non-licensed home inspectors.

HUD Inspections

The Chair included a home inspection report for the Board to review from HUD. He said this report was not a home inspection report for a consumer; it was an inspection report for an appraiser. The inspectors were not Kentucky licensed home inspectors. Snow Enterprises in North Carolina employed these inspectors to perform these inspections. The Chair was concerned these reports would be misconstrued as a home inspector report and it may cause problems. Mr. Powers suggested he contact HUD to obtain additional information.

National Property Institute Pre-licensing Provider

This issue was tabled to this meeting. The Board evaluated National Property Institute (NPI). Was the field component from a Board approved provider to teach Kentucky field training? Mr. Wirth was concerned he could not find any evidence of in-field training. Mr. Wirth moved the Board to approve NPI on the condition to clarify the in-field training. Mr. Flora seconded the Motion and the Motion carried unanimously.

This approval allowed the initial approval of Larry Morrow of Union, Kentucky. He completed the NPI pre-licensing course. Mr. Wirth moved the Board to approve Mr. Larry Morrow on the condition he clarify his in-field training. Mr. Flora seconded the Motion. The Board passed the Motion unanimously.

Other Licensees Issues

Ms. Anderson had two issues to present to the Board. First, Mr. Howard Walker, Sr. was set to renew his license in July 2009. However, he questioned Ms. Anderson whether he could have his continuing education waived for chemotherapy treatment. Although the Board was sympathetic to Mr. Walker's condition, they could not waive the continuing education.

Ms. Anderson presented Mr. Steve Wolfe who sought to have his license reactivated. Mr. Wolfe argued he completed all the requirements before he left to perform contract work for the Army in Iraq. It was inexplicable why his application, payment and other license requirements were returned to Mr. Wolfe. Mr. Wirth moved the Board to reinstate Mr. Wolfe as a licensed home inspector. Mr. Flora seconded the Motion and it carried unanimously.

License Renewals

Mr. Patton moved the Board to approve the following home inspector renewals. Mr. Flora seconded the Motion and the Board unanimously approve the following inspectors:

Ron Pike of Danville, Kentucky
Carl Bryant of Benton, Kentucky
Marvin Laster of Russellville, Kentucky
Dan Cooper of Demessonville, Kentucky

Christopher Langley of Bardstown, Kentucky
Steve Newman of Richmond, Kentucky
Buris Lendingham of Olive Hill, Kentucky
David McCoy of Louisville, Kentucky

The Chair said Mr. Steve Bledsoe of Corbin, Kentucky renewed his license; however, his home inspection did not meet the standards of practice under NAHI. Therefore, he recommended Mr. Bledsoe be renewed but must submit another home inspection 90 days after receiving his renewal letter. Mr. Bone moved the Board to renew Bledsoe's license. Mr. Wirth seconded the Motion and it carried unanimously.

Initial Home Inspector Licenses

Mr. Patton moved the Board to approve the following as home inspectors. Mr. Wirth seconded the Motion and it carried unanimously:

Shawn Wells of Elizabethtown, Kentucky
Larry Morrow of Union, Kentucky
Rich Goodwin of Lexington, Kentucky
Michael Bray of Lexington, Kentucky

Mr. Wirth moved the Board to approve the following as home inspectors contingent the inspector supply all of required information. Ms. Swearingen seconded the Motion and it carried unanimously. The following are contingent home inspectors:

Tim Dudek of Lexington, Kentucky (A KSP background check)
William Welch of Shelbyville, Kentucky (Insurance correction)
Joseph Williams of Lawrenceburg, Kentucky (Proof of GED)

Mr. Bone moved the Board to adjourn until June 9, 2009 at 9:00 am. Mr. Patton seconded the Motion and it carried unanimously.

MEETING ADJOURN TO JUNE 9, 2009 AT 9 AM